

CLASSIFICATION **CONFIDENTIAL**
 CENTRAL INTELLIGENCE AGENCY
 INFORMATION FROM
 FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

50X1-HUM

CD NO.

COUNTRY China
 SUBJECT Military; Economic - Sabotage
 HOW PUBLISHED Daily newspaper
 WHERE PUBLISHED Soochow
 DATE PUBLISHED 11 Jul 1950
 LANGUAGE Chinese

DATE OF INFORMATION 1950

DATE DIST. 20 Sep 1950

NO. OF PAGES 2

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANINGS OF ESPIONAGE ACT 50 U.S.C. 31 AND 32 AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Hsin Su-chou Pao.KMT AGENTS CONTINUE SABOTAGE

Peiping, 10 July (Hsin-hua) -- Under KMT auspices and directed by their US overlords, reactionary agents are being sent to the mainland to sabotage our economic activities.

Many such cases of sabotage have been found and stopped by our public safety agencies, showing that we must take extreme precautions to protect our economy.

During May, there was discovered in Tsingtao a unit of the second column of the Shantung People's Anti-Communist National Salvation Army, directed by Mao Sen, chief, of the KMT secret agents. Its work was to plunder granaries, disrupt communications, counterfeit banknotes to make the currency unstable, etc. It was well supplied with explosives.

On our expedition to liberate Hainan last April, we uncovered plans to print quantities of People's Notes, to weaken the currency. In Mei Hsien, Kwangtung, on 27 June, we found a group of the National Salvation Army trying to disrupt our currency by counterfeiting.

Secret agents have also been stirring up the local ignorant populace along the railroads to cause destruction, and, by posing as police, they have been able to get information about transport plans. But in most cases they have been apprehended before doing damage.

Industrial plants are sabotaged by smashing machines, stealing parts, cutting power lines, etc. For example, a rubber worker in Mukden who was also a secret agent, spoiled a rubber mixture and ruined 800,000 pair of shoes. In Tsingtao, secret agents in the Chung-fang Mill No 3, between 21 May and 10 June, committed more than 11 acts of sabotage, causing much harm to machines and cloth.

Another method is the stealing of economic information on production, prices, currency, trade, etc., which is often done with the connivance of officials in the People's government.

- 1 -

CONFIDENTIAL

CLASSIFICATION

CONFIDENTIAL

STATE	<input checked="" type="checkbox"/> NAVY	<input checked="" type="checkbox"/> NSRB		DISTRIBUTION															
ARMY	<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> FBI																	

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

A good deal of the dirty work is done by the agents worming their way into the Communist Party organizations, New Democratic Youth, labor unions, public safety bureaus, etc. For example, in the burlap bag factory in Mukden, Wu Kuei-jen became head of the union and secretary of the Communist Youth, and then, seizing the opportunity, set fire to a large quantity of raw hemp.

The above instances are but a fraction of the sabotage that these agents do and should lead to strict precautions for protecting our economy.

- E N D -

- 2 -

CONFIDENTIAL

CONFIDENTIAL